



THE
NEW
JERSEY
PERFORMING
ARTS CENTER

*The
Economic Impacts*
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Background


The New Jersey Performing Arts Center (NJPAC), a private non-profit corporation, is a partnership of the State of New Jersey, the City of Newark, and the private sector created to plan, build and operate a world-class center for the performing arts in the heart of the State's largest city. With the strong commitment of the Board of Directors, which includes the Governor of New Jersey (Ex Officio), the Mayor of Newark (Ex Officio), the chairmen and chief executives of some of New Jersey's largest corporations and other of the State's leading citizens, NJPAC has assembled a nationally recognized professional team of managers and consultants to convert the vision into reality.



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The Mission of NJPAC

NJPAC is many things at once. As center stage for the State's best performing arts organizations and for multi-cultural artistry of national and international standing, NJPAC will be a focus of pride and recognition for New Jersey. As an ambitious revitalization scheme for the State's largest city, NJPAC will provide Newark with an unmistakable statement of reemergence. NJPAC is also a massive investment and a business and as such promises both the City of Newark and the State concrete benefits in the form of new spending and economic activity, jobs and tax revenues.



Measuring the Benefits of NJPAC

In the Fall of 1989, NJPAC engaged the financial consulting firm of Hamilton, Rabinovitz & Alschuler, Inc. of New York City to conduct an economic and fiscal impact analysis of the Center. For purposes of the analysis, NJPAC was assumed to have completed a Concert Hall in 1994; a Multi-Use Theatre in 1996; a Dance/Drama Theatre in 1998; and an associated private development of a 425,000-square-foot commercial complex in 2001. The NJPAC strategy also calls for a "Cultural District," a master plan for the area surrounding the NJPAC site, with the goal of maximizing the stimulative effect of the NJPAC investment. Employing sophisticated econometric methodology, the analysis calculated the impact of construction and operations of NJPAC and its effect on the surrounding Cultural District; the indirect impact of NJPAC operational spending and that of its audiences; and estimates of the tax revenues flowing to the City and State as a result of new economic activity. Presented here is an abbreviated version of the analysis. The full study is available for review at NJPAC offices.

